

1 **State of Arkansas**
2 **79th General Assembly**
3 **Regular Session, 1993**
4 **By: Representative Steele**

A Bill

HOUSE BILL

For An Act To Be Entitled

8 "AN ACT TO AMEND ARKANSAS CODE § 26-52-503, AS AMENDED BY
9 SECTION 1 OF SENATE BILL 10 OF THE SECOND EXTRAORDINARY
10 SESSION OF 1992, TO PROVIDE THAT THE \$1,000 DISCOUNT
11 AVAILABLE TO AN ARKANSAS RETAILER FOR REMITTING SALES TAX
12 RECEIPTS SHALL APPLY TO EACH PERMITTED BUSINESS LOCATION;
13 TO AMEND ARKANSAS CODE § 26-52-512, AS AMENDED BY SECTION
14 2 OF SENATE BILL 10 OF THE SECOND EXTRAORDINARY SESSION OF
15 1992, TO EXEMPT ARKANSAS RETAILERS WITH ONE MILLION
16 DOLLARS (\$1,000,000) IN GROSS SALES FROM THE PREPAYMENT
17 REQUIREMENTS AND TO PROVIDE THAT THE \$1,000 DISCOUNT
18 AVAILABLE FOR REMITTING SALES TAX RECEIPTS SHALL APPLY TO
19 EACH LOCATION; AND FOR OTHER PURPOSES."

Subtitle

22 "AN ACT TO PROVIDE THAT THE \$1,000 CAP ON THE AMOUNT OF
23 DISCOUNT AVAILABLE TO AN ARKANSAS RETAILER FOR REMITTING
24 SALES TAX RECEIPTS SHALL APPLY TO EACH BUSINESS LOCATION."

26 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

28 SECTION 1. Arkansas Code § 26-52-503 is hereby amended to read as
29 follows:

30 "26-52-503. Discount for prompt payment.

31 (a) At the time of transmitting the returns required under this act to
32 the director, the taxpayer shall remit therewith to the director ninety-eight
33 percent (98%) of the tax due under the applicable provisions of this act.

34 (b) Failure of the taxpayer to remit such tax on or before the
35 twentieth day of such applicable month shall cause the taxpayer to forfeit his

1 claim to the discount, and he must remit to the director one hundred percent
2 (100%) of the amount of tax plus any penalty and interest due.

3 (c) (1) For tax payments made on or after February 1, 1993, the discount
4 for prompt payment shall not exceed one thousand dollars (\$1,000.00) per month
5 per permitted location for taxpayers filing monthly gross receipts tax
6 reports. Taxpayers filing a tax report on a quarterly, annual or occasional
7 basis shall be entitled to the discount which shall not exceed one thousand
8 dollars (\$1,000) per permitted location for each month included in the tax
9 report.

10 (2) (A) The discount available to a taxpayer who operates more
11 than one permitted business location within this state and who does not file a
12 consolidated monthly gross receipts tax report for all locations shall not
13 exceed one thousand dollars (\$1,000) per month per location.

14 (B) In the case of a corporate taxpayer (parent
15 corporation) that holds fifty percent (50%) or more of the outstanding shares
16 of one or more corporations (subsidiaries) which are subject to the tax
17 imposed by Ark. Code Ann. §26-52-101 et seq., the discount available to the
18 parent corporation and all subsidiaries shall not exceed one thousand dollars
19 (\$1,000) per month per permitted location.

20 (3) If the Arkansas Public Service Commission determines that a
21 public utility is charging rates which reflect a dollar effect related to the
22 discount allowed under Ark. Code Ann. §26-52-503 or Ark. Code Ann. §26-52-512
23 prior to the effective date of this act, the Commission shall, upon
24 application by the utility, change the rates of the utility to recover an
25 amount equal to the differential between the discount provided pursuant to
26 Ark. Code Ann. §26-52-503 or Ark. Code Ann. §26-52-512 prior to the effective
27 date of this act and the discount provided by this act. If an application by
28 a public utility to change rates reflects only the reduction in revenues
29 resulting from this act, the utility shall not be required to give sixty (60)
30 days notice under the Arkansas Code Annotated § 23-4-401 of its intention to
31 change its rates, and the proposed change in rates shall not be subject to
32 suspension under Arkansas Code Annotated § 23-4-407 pending approval by the
33 commission."

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35 SECTION 2. Arkansas Code § 26-52-512 is hereby amended to read as

1 follows:

2 "26-52-512. Tax payments by retailers.

3 (a) (1) All retailers within the State of Arkansas registered to collect
4 the Arkansas gross receipts tax and having average net sales of more than two
5 hundred thousand dollars (\$200,000) per month for the preceding calendar year
6 shall make two (2) tax payments for the current calendar month. Each payment
7 shall be equal to forty percent (40%) of the tax due on the monthly average
8 net sales on or before the twelfth and twenty-fourth of each month. The
9 balance of actual collections for the month shall be remitted with the monthly
10 gross receipts tax report due by the twentieth day of the following month.

11 (2) All retailers within the State of Arkansas registered to
12 collect the Arkansas gross receipts tax and having average net sales of more
13 than one million dollars (\$1,000,000) per month for the preceding calendar
14 year shall not be required to make tax prepayments required under subdivision
15 (a) (1), but shall be required to make payments to the state postmarked not
16 later than the twentieth (20th) of day of the month.

17 (b) (1) Every taxpayer who timely remits the two prepayments required by
18 subdivision (a) (1) of this section and who timely files and pays his monthly
19 gross receipts tax report, shall be entitled to a discount. The discount shall
20 be the lesser of two percent (2%) of the reported monthly gross tax, or one
21 thousand dollars (\$1,000) per permitted location. This discount limitation
22 shall apply to tax prepayments due on or after January 12, 1993 and to
23 monthly tax reports due on or after February 20, 1993.

24 (2) Every taxpayer who timely remits the payments required by
25 subdivision (a) (2) of this section and who timely files and pays his monthly
26 gross receipts tax report, shall be entitled to a discount. The discount shall
27 be the lesser of two percent (2%) of the reported monthly gross tax, or one
28 thousand dollars (\$1,000) per permitted location. This discount limitation
29 shall apply to tax payments and reports due on or after February 20, 1993.

30 (3) Failure to pay tax prepayments or taxes when due shall result
31 in the assessment of a penalty equal to five percent (5%) of the amount of
32 each required tax prepayment.

33 (3) (A) The discount available to a taxpayer who operates more
34 than one permitted business location within this state and who does not file a
35 consolidated monthly gross receipts tax report for all locations shall not

1 exceed one thousand dollars (\$1,000) per month per location.

2 (B) In the case of a corporate taxpayer (parent
3 corporation) that holds fifty percent (50%) or more of the outstanding shares
4 of one or more corporations (subsidiaries) which are subject to the tax
5 imposed by Ark. Code Ann. §26-52-101 et seq., the discount available to the
6 parent corporation and all subsidiaries shall not exceed one thousand dollars
7 (\$1,000) per month per location.

8 (4) If the Arkansas Public Service Commission determines that a
9 public utility is charging rates which reflect a dollar effect related to the
10 discount allowed under Ark. Code Ann. §26-52-503 or Ark. Code Ann. §26-52-512
11 prior to the effective date of this act, the Commission shall, upon
12 application by the utility, change the rates of the utility to recover an
13 amount equal to the differential between the discount provided pursuant to
14 Ark. Code Ann. §26-52-503 or Ark. Code Ann. §26-52-512 prior to the effective
15 date of this act and the discount provided by this act. If an application by
16 a public utility to change rates reflects only the reduction in revenues
17 resulting from this act, the utility shall not be required to give sixty (60)
18 days notice under the Arkansas Code Annotated § 23-4-401 of its intention to
19 change its rates, and the proposed change in rates shall not be subject to
20 suspension under Arkansas Code Annotated § 23-4-407 pending approval by the
21 Commission.

22 (c) For any report or deposit required under subsection (a) of this
23 section, the due date of which falls on a Saturday, Sunday, or legal holiday,
24 the report shall be postmarked on the next succeeding business day which is
25 not a Saturday, Sunday, or legal holiday.

26 (d) For the purpose of this section, the term "average net sales" shall
27 mean total gross proceeds or gross receipts as defined in the Arkansas Gross
28 Receipts Act, §§ 26-52-101 et seq., less any deductions allowed by the
29 Arkansas Gross Receipts Act."

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31 SECTION 3. All provisions of this act of general and permanent nature
32 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
33 Revision Commission shall incorporate the same in the Code.

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35 SECTION 4. If any provisions of this act or the application thereof to

1 any person or circumstance is held invalid, the invalidity shall not affect
2 other provisions or applications of the act which can be given effect without
3 the invalid provisions or application, and to this end the provisions of this
4 act are declared to be severable.

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6 SECTION 5. All laws and parts of laws in conflict with this act are
7 hereby repealed.

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9 SECTION 6. Emergency. It is hereby found and determined by the
10 Seventy-Ninth General Assembly of the State of Arkansas that the changes in
11 the discount provisions in the Arkansas sales tax law made during the Second
12 Extraordinary Session of 1992 will have adverse effect on the Arkansas
13 economy; that those provisions need to be amended to reduce their terrible
14 impact; and that by continuing those discounts to retailers jobs will be
15 retained within the state of Arkansas. Therefore, in order to reduce the
16 impact on the Arkansas economy wrought by tax law changes enacted in the
17 Second Extraordinary Session of 1992, an emergency is hereby declared to
18 exist, and this act being necessary for the immediate preservation of the
19 public peace, health, and safety, shall be in full force and effect from and
20 after its passage and approval.

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